

RUSSEL METALS ANNOUNCES 2025 ANNUAL & FOURTH QUARTER RESULTS

FOR IMMEDIATE RELEASE

TORONTO, CANADA -- February 11, 2026 -- Russel Metals Inc. (RUS - TSX) announces financial results for the fourth quarter and the year ended December 31, 2025.

Revenues of \$4.6 Billion in 2025 and \$1.1 Billion in Q4 2025
EBITDA¹ of \$337 Million in 2025 and \$69 Million in Q4 2025
Closed the Kloeckner Acquisition on December 31, 2025
Repurchased \$86 Million of Shares and Paid \$96 Million of Dividends in 2025
Strong Capital Structure with Net Debt to Invested Capital of 10%
And Liquidity¹ of \$515 Million

	Three Months Ended			Year Ended	
	Dec 31 2025	Sep 30 2025	Dec 31 2024	Dec 31 2025	Dec 31 2024
Revenues	\$ 1,094	\$ 1,167	\$ 1,039	\$ 4,642	\$ 4,261
EBITDA ¹	69	75	61	337	299
Net Income	30	35	27	169	161
Earnings per share	0.55	0.63	0.47	3.01	2.73

All amounts are reported in millions of Canadian dollars except per share figures, which are in Canadian dollars.

Non-GAAP Measures and Ratios

We use a number of measures that are not prescribed by IFRS Accounting Standards ("IFRS" or "GAAP") and as such may not be comparable to similar measures presented by other companies. We believe these measures are commonly employed to measure performance in our industry and are used by analysts, investors, lenders and other interested parties to evaluate financial performance and our ability to incur and service debt to support our business activities. These non-GAAP measures include EBITDA and Liquidity and are defined below. Refer to Non-GAAP Measures and Ratios on page 2 of our Management Discussion and Analysis.

The following table shows the reconciliation of net earnings in accordance with GAAP to EBITDA:

(millions)	Three Months Ended			Year Ended	
	Dec 31 2025	Sep 30 2025	Dec 31 2024	Dec 31 2025	Dec 31 2024
Net earnings	\$ 30.4	\$ 35.0	\$ 26.9	\$ 168.8	\$ 161.0
Provision for income taxes	9.7	11.2	8.8	53.7	53.1
Interest (income) expense, net	5.1	5.4	4.0	21.1	7.7
EBIT ¹	45.2	51.6	39.7	243.6	221.8
Depreciation and amortization	23.4	23.4	21.6	93.5	76.7
EBITDA ¹	\$ 68.6	\$ 75.0	\$ 61.3	\$ 337.1	\$ 298.5
Basic earnings per share	\$ 0.55	\$ 0.63	\$ 0.47	\$ 3.01	\$ 2.73

¹ Defined in Non-GAAP Measures and Ratios

Our fourth quarter 2025 and full year 2025 results reflected a continuation of improving trend line metrics, as we are starting to generate the benefits from our 2024 acquisitions and internal investment initiatives.

- Revenues were \$1.1 billion for the fourth quarter of 2025, which represented a 5% increase over the fourth quarter of 2024. Total revenues for 2025 represented a 9% increase over 2024. The increases were primarily related to the two acquisitions that were completed in the second half of 2024.
- Our average gross margin percentage for the fourth quarter of 2025 was 21.2%, which was an 80 basis point increase over the fourth quarter of 2024. For 2025, our average gross margin percentage was 21.8% which was a 90 basis point increase over 2024. These improvements were related to a pick-up in market conditions as well as the continuation of our value-added investment initiatives.
- In the fourth quarter of 2025, our EBITDA was \$69 million, which was a 12% improvement over the fourth quarter of 2024. For 2025, our EBITDA was \$337 million, which was a 13% increase over 2024.
- The metal service centers segment had solid shipments in the fourth quarter of 2025, even though it is typically a seasonally slower period. The fourth quarter 2025 tons shipped were down 5% versus the third quarter of 2025, but up 1% versus the fourth quarter of 2024. For 2025, our tons shipped achieved an annual record of almost 1.6 million tons, which was 15% higher than the 2024 tons shipped.

On December 31, 2025, we closed the acquisition of seven service centers from Kloeckner Metals Corporation ("Kloeckner") for approximately US\$95 million, subject to closing working capital and other normal course adjustments. This acquisition is a complimentary fit with our existing U.S. locations, as they will tie into our footprint in key regions of Florida/Georgia/Carolinas, Iowa/Wisconsin and Texas. As a result of this transaction, we expect our average annual revenues to grow by approximately US\$500 million and expand the relative contribution from our U.S. based businesses to over 50%.

In 2025, we generated \$200 million of cash from operating activities. In the fourth quarter of 2025, we generated \$105 million of cash from operating activities, including \$53 million from non-cash working capital.

For the year ended December 31, 2025, our revenues, EBITDA, and earnings per share were \$4.6 billion, \$337 million and \$3.01 per share, respectively, compared to \$4.3 billion, \$299 million and \$2.73 per share in 2024.

In the 2025 fourth quarter, our revenues, EBITDA and earnings per share were \$1.1 billion, \$69 million and \$0.55 per share, respectively compared to \$1.0 billion, \$61 million and \$0.47 per share in the fourth quarter of 2024 and \$1.2 billion, \$75 million and \$0.63 per share in the third quarter of 2025. Our 2025 fourth quarter results declined relative to our 2025 third quarter primarily due to the typical seasonal dynamic. In addition, our fourth quarter results were impacted by several non-recurring items, including: (i) \$3 million expense for the mark-to-market on stock-based compensation; (ii) \$2 million of operating losses in certain locations in Western Canada that are undergoing operational changes; (iii) \$1 million expense for transaction and transition costs for the Kloeckner acquisition; (iv) \$2 million expense reversal for the tariff that was recently recovered from the Canadian government for an expense that was incurred in the third quarter; and (v) \$1 million gain related to equipment sales.

In 2025, we invested \$74 million in capital expenditures, including \$14 million in the fourth quarter, that included a series of value-added equipment and facility modernization initiatives in both Canada and the U.S. Going forward, we expect to invest approximately \$100 million per year over the next two years, as our pipeline of internal investment opportunities continues to grow.

Market Conditions

The implementation of tariffs on steel and aluminum in the first quarter of 2025 led to an increase in metal prices late in the first quarter of 2025. Steel prices moderated over the subsequent six months before stabilizing in the latter part of the year. The 2025 average price for hot rolled coil was US\$849 per ton, which was higher than the US\$772 per ton average for 2024. Plate prices averaged US\$1,035 per ton in 2025, which was down from the 2024 average of US\$1,070 per ton.

Capital Investment Growth Initiatives

In 2025, we grew the business through a series of internal and external investments, which resulted in an increase of our invested capital from \$1.6 billion at the end of 2024 to almost \$1.8 billion at the end of 2025. Our return on invested capital was 15% for 2025 and averaged 18% over the past three years. These results reflect a strong focus on growing invested capital in an efficient manner, as return on capital is the key element of our pay-for-performance culture.

In addition to our new investments, we also repatriated redundant capital in certain areas. During 2025, we announced a series of business improvement initiatives related to our Western Canadian operations, including the rationalization of locations in British Columbia and a related property sale. Once completed, we will have exceeded the upper end of our targeted capital reduction initiative from the 2024 acquisition of the Samuel branches.

The recent capital investment and repatriation initiatives are also part of our strategy to diversify and expand our business in a number of areas.

- U.S. operations represented 44% of consolidated 2025 revenues and will be over 50% after taking into account the Kloeckner acquisition.
- Approximately 11% of our 2025 revenues were stainless and aluminum products as compared to 9% in 2024 and 8% in 2023.
- Our value-added equipment and facility modernization initiatives are ongoing and will further increase our average margins through the cycle.

Returning Capital to Shareholders

Our approach to returning capital to shareholders is a balance between dividends and share buybacks. In 2025, we paid \$96 million of dividends and repurchased \$86 million of our shares (excluding the impact of the federal tax on share repurchases).

During the first quarter of 2025, we announced a 2.4% increase in our quarterly dividend from \$0.42 per share to \$0.43 per share. More recently, we just declared a dividend of \$0.43 per share, payable on March 16, 2026, to shareholders of record at the close of business on February 27, 2026. Our 2025 dividend payments of \$96 million were lower than the 2024 payments of \$98 million, as the impact of our share repurchases more than offset the increase in our dividend per share.

In the fourth quarter of 2025, we purchased 0.6 million common shares at an average price per share of \$40.58. In the full year of 2025, we purchased 2.1 million common shares, which represented approximately 4% of our beginning shares outstanding, at an average price per share of \$41.06. In the period since the August 2022 normal course issuer bid was established, we purchased approximately 8.6 million common shares, which represents approximately 14% of our then outstanding shares, at an average price per share of \$37.96 for total consideration of \$326 million (excluding the impact of the federal tax on share repurchases).

Liquidity and Capital Structure

One of our key strategies is to maintain a strong capital structure in order to navigate through market cycles and be in a position to capitalize on opportunities. In 2025, we further strengthened our capital structure by issuing term debt and amending and extending our credit facility. We ended the year with a strong capital structure, with a net debt to invested capital ratio of approximately 10% and liquidity of \$515 million.

On March 28, 2025, we completed an inaugural offering of investment grade term debt, with \$300 million of 4.423% senior unsecured notes due March 28, 2030. On April 29, 2025, we amended and extended our credit facility to remove the springing lien feature, cancel the \$150 million sidecar facility that was set to expire in 2026 and extend the maturity of the main facilities to 2029. On October 27, 2025, S&P Global upgraded our credit rating from BB+ to BBB-. We are now rated as an investment grade credit by both S&P Global and DBRS Morningstar.

Outlook

During 2025, steel prices were impacted by various tariffs that were initiated by the U.S. government and countered by other countries, including Canada. Future steel price changes may be impacted by further changes in such tariffs.

Our metal service center gross margins came down in the early part of the third quarter but stabilized over the latter part of the third quarter and into the fourth quarter. Going into the first quarter of 2026, there has been an improvement in market tone and an increase in most steel prices, which should lead to an improvement in our margins in the first quarter of 2026 as compared to the fourth quarter of 2025. In addition, we expect to see a seasonal recovery in shipments in the first quarter of 2026, subject to weather-related factors, that is similar in magnitude to the seasonal improvement that had been experienced in the past.

Over the medium-term, we expect to benefit from further rebuilding of the U.S. industrial manufacturing base, Canadian nation building projects, as well as infrastructure related investments in areas such as data centers. In addition, we are positioned to gain market share through our ongoing investments in value-added equipment, facility modernizations and acquisitions. As a result of the closing of the Kloeckner acquisition on December 31, 2025, we will benefit from an increased presence in the U.S.

Our energy field stores are expected to continue to benefit from solid energy activity in 2026. Our energy field store segment is also expected to continue to gain market share while maintaining a solid margin profile.

Investor Conference Call

The Company will be holding an Investor Conference Call on Thursday, February 12, 2026, at 9:00 a.m. ET to review its 2025 fourth quarter results. The dial-in telephone numbers for the call are 416-945-7677 (Toronto and International callers) and 1-888-699-1199 (U.S. and Canada). Please dial in 10 minutes prior to the call to ensure that you get a line.

A replay of the call will be available at 289-819-1450 (Toronto and International callers) and 1-888-660-6345 (U.S. and Canada) until midnight, Thursday, February 26, 2026. You will be required to enter pass code 88751# to access the call.

Additional supplemental financial information is available in our investor conference call package located on our website at www.russelmetals.com.

This earnings press release should be read in conjunction with our Management Discussion & Analysis and Audited Consolidated Financial Statements for the year ended December 31, 2024, which will be filed with the securities regulators in Canada on or before February 21, 2025. These documents will be made available at www.russelmetals.com/en/investor-relations/ and www.sedarplus.ca.

About Russel Metals Inc.

Russel Metals is one of the largest metals distribution companies in North America with a growing focus on value-added processing. It carries on business in three segments: metals service centers, energy field stores and steel distributors. Its network of metals service centers carries an extensive line of metal products in a wide range of sizes, shapes and specifications, including carbon hot rolled and cold finished steel, pipe and tubular products, stainless steel, aluminum and other non-ferrous specialty metals. Its energy field stores carry a specialized product line focused on the needs of energy industry customers. Its steel distributors operations act as master distributors selling steel in large volumes to other steel service centers and large equipment manufacturers mainly on an "as is" basis.

Cautionary Statement on Forward-Looking Information

Certain statements contained in this press release constitute forward-looking statements or information within the meaning of applicable securities laws, including statements as to our future capital expenditures, our outlook, the availability of future financing and our ability to pay dividends. Forward-looking statements relate to future events or our future performance. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. Forward-looking statements are necessarily based on estimates and assumptions that, while considered reasonable by us, inherently involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including the factors described below.

We are subject to a number of risks and uncertainties which could have a material adverse effect on our future profitability and financial position, including the risks and uncertainties listed below, which are important factors in our business and the metals distribution industry. Such risks and uncertainties include, but are not limited to: volatility in product prices; cyclical nature of the industry; future acquisitions; product claims; significant competition; sources of supply and supply chain disruptions; manufacturers selling directly; material substitution; failure of our key computer-based systems; cybersecurity; credit risk; currency exchange risk; restrictive debt covenants; the unexpected loss of key individuals; decentralized operating structure; labour interruptions; laws and governmental regulations; litigious environment; environmental liabilities; climate change; carbon emissions; health and safety laws and regulations; and common share risk.

While we believe that the expectations reflected in our forward-looking statements are reasonable, no assurance can be given that these expectations will prove to be correct, and our forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this press release and, except as required by law, we do not assume any obligation to update our forward-looking statements. Our actual results could differ materially from those anticipated in our forward-looking statements including as a result of the risk factors described above and under the heading "Risk" in our MD&A and under the heading "Risk Management and Risks Affecting Our Business" in our most recent Annual Information Form and as otherwise disclosed in our filings with securities regulatory authorities which are available on SEDAR+ at www.sedarplus.ca.

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CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

<i>(in millions of Canadian dollars, except per share data)</i>	Three Months Ended December 31		Years Ended December 31	
	2025	2024	2025	2024
Revenues	\$ 1,093.7	\$ 1,039.2	\$ 4,641.5	\$ 4,261.2
Cost of materials	861.6	827.4	3,629.3	3,371.3
Employee expenses	108.3	97.6	454.9	392.2
Other operating expenses	78.6	73.7	313.7	275.1
Asset impairment	-	0.8	-	0.8
Earnings before interest and provision for income taxes	45.2	39.7	243.6	221.8
Interest expense, net	5.1	4.0	21.1	7.7
Earnings before provision for income taxes	40.1	35.7	222.5	214.1
Provision for income taxes	9.7	8.8	53.7	53.1
Net earnings for the period	\$ 30.4	\$ 26.9	\$ 168.8	\$ 161.0
Basic earnings per common share	\$ 0.55	\$ 0.47	\$ 3.01	\$ 2.73
Diluted earnings per common share	\$ 0.55	\$ 0.47	\$ 3.01	\$ 2.73

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Three Months Ended December 31		Years Ended December 31	
	2025	2024	2025	2024
Net earnings for the period	\$ 30.4	\$ 26.9	\$ 168.8	\$ 161.0
Other comprehensive (loss) income				
Items that may be reclassified to earnings				
Unrealized foreign exchange (losses) gains on translation of foreign operations	(17.5)	64.7	(51.7)	82.9
Items that may not be reclassified to earnings				
Actuarial (losses) gains on pension and similar obligations net of taxes	(0.6)	0.6	(3.7)	3.9
Other comprehensive (loss) income	(18.1)	65.3	(55.4)	86.8
Total comprehensive income	\$ 12.3	\$ 92.2	\$ 113.4	\$ 247.8

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	December 31 2025	December 31 2024
ASSETS		
Current		
Cash and cash equivalents	\$ 114.6	\$ 45.6
Accounts receivable	554.2	490.4
Inventories	1,084.2	919.8
Prepaid and other	33.1	29.0
Income taxes receivable	6.2	14.5
Assets held for sale	4.9	-
	1,797.2	1,499.3
Property, Plant and Equipment	558.6	492.4
Right-of-Use Assets	155.2	157.0
Deferred Income Tax Assets	0.4	0.8
Pensions and Benefits	37.0	45.5
Financial and Other Assets	5.1	5.9
Goodwill and Intangible Assets	131.1	145.8
Total Assets	\$ 2,684.6	\$ 2,346.7
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	\$ -	\$ 13.4
Accounts payable and accrued liabilities	552.2	442.1
Short-term lease obligations	28.5	22.4
Income taxes payable	6.3	0.7
	587.0	478.6
Long-Term Debt	298.3	-
Pensions and Benefits	1.5	1.5
Deferred Income Tax Liabilities	25.8	25.8
Long-term Lease Obligations	156.9	161.0
Provisions and Other Non-Current Liabilities	26.2	21.4
	1,095.7	688.3
Shareholders' Equity		
Common shares	509.4	528.1
Retained earnings	919.7	918.7
Contributed surplus	9.9	10.0
Accumulated other comprehensive income	149.9	201.6
Total Shareholders' Equity	1,588.9	1,658.4
Total Liabilities and Shareholders' Equity	\$ 2,684.6	\$ 2,346.7

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Three Months Ended December 31		Years Ended December 31	
	2025	2024	2025	2024
Operating Activities				
Net earnings for the period	\$ 30.4	\$ 26.9	\$ 168.8	\$ 161.0
Depreciation and amortization	23.4	21.6	93.5	76.7
Provision for income taxes	9.7	8.8	53.7	53.1
Interest expense, net	5.1	4.0	21.1	7.7
Gain on sale of property, plant and equipment	(0.3)	(0.1)	(1.1)	(0.7)
Difference between pension expense and amount funded	0.9	0.9	3.3	3.0
Asset impairment	-	0.8	-	0.8
Interest paid net, including interest on lease obligations	(5.0)	(1.3)	(17.4)	(5.0)
Cash from operating activities before non-cash working capital	64.2	61.6	321.9	296.6
Changes in Non-cash Working Capital Items				
Accounts receivable	78.0	112.6	(23.4)	75.2
Inventories	(21.1)	41.8	(86.6)	78.7
Accounts payable and accrued liabilities	0.7	(96.2)	29.5	(50.0)
Other	(4.3)	(3.9)	(4.1)	(1.2)
Change in non-cash working capital	53.3	54.3	(84.6)	102.7
Income tax paid, net	(12.1)	(5.8)	(37.8)	(55.4)
Cash from operating activities	105.4	110.1	199.5	343.9
Financing Activities				
(Decrease) increase in bank indebtedness	-	13.4	(13.4)	13.4
Issue of common shares	-	0.3	0.3	1.9
Repurchase of common shares	(24.7)	(14.6)	(87.3)	(133.6)
Dividends on common shares	(23.8)	(24.0)	(95.9)	(97.6)
Issuance (repayment) of long-term debt	-	(150.0)	300.0	(300.0)
Deferred financing costs	(0.1)	(0.3)	(2.0)	(2.1)
Lease obligations	(6.0)	(5.4)	(23.5)	(19.9)
Cash used in financing activities	(54.6)	(180.6)	78.2	(537.9)
Investing Activities				
Purchase of property, plant and equipment	(14.4)	(21.2)	(74.4)	(90.2)
Proceeds on sale of property, plant and equipment	2.6	0.3	3.9	1.3
Business acquisitions	(130.0)	(105.9)	(130.0)	(328.8)
Cash used in investing activities	(141.8)	(126.8)	(200.5)	(417.7)
Effect of exchange rates on cash and cash equivalents	(6.0)	20.6	(8.2)	28.1
Increase (decrease) in cash and cash equivalents	(97.0)	(176.7)	69.0	(583.6)
Cash and cash equivalents, beginning of the period	211.6	222.3	45.6	629.2
Cash and cash equivalents, end of the year	\$ 114.6	\$ 45.6	\$ 114.6	\$ 45.6

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

<i>(in millions of Canadian dollars)</i>	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2025	\$ 528.1	\$ 918.7	\$ 10.0	\$ 201.6	\$ 1,658.4
Payment of dividends	-	(95.9)	-	-	(95.9)
Net earnings for the year	-	168.8	-	-	168.8
Other comprehensive loss for the year	-	-	-	(55.4)	(55.4)
Share options exercised	0.4	-	(0.1)	-	0.3
Shares repurchased	(19.1)	(68.2)	-	-	(87.3)
Transfer of net actuarial loss on defined benefit plans	-	(3.7)	-	3.7	-
Balance, December 31, 2025	\$ 509.4	\$ 919.7	\$ 9.9	\$ 149.9	\$ 1,588.9

<i>(in millions of Canadian dollars)</i>	Common Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Income	Total
Balance, January 1, 2024	\$ 556.3	\$ 954.6	\$ 10.3	\$ 118.7	\$ 1,639.9
Payment of dividends	-	(97.6)	-	-	(97.6)
Net earnings for the year	-	161.0	-	-	161.0
Other comprehensive income for the year	-	-	-	86.8	86.8
Share options exercised	2.2	-	(0.3)	-	1.9
Shares repurchased	(30.4)	(103.2)	-	-	(133.6)
Transfer of net actuarial gains on defined benefit plans	-	3.9	-	(3.9)	-
Balance, December 31, 2024	\$ 528.1	\$ 918.7	\$ 10.0	\$ 201.6	\$ 1,658.4